

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Metamora Township	County Lapeer County
Fiscal Year End March 31, 2007	Opinion Date May 23, 2007	Date Audit Report Submitted to State May 24, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Lehn L. King, C.P.A.	Telephone Number 989-635-3113		
Street Address 3531 Main Street	City Marlette	State MI	Zip 48453
Authorizing CPA Signature 	Printed Name Lehn King	License Number A248781	

Township of Metamora

Lapeer County, Michigan

Audited Financial Report
March 31, 2007

LEHN L. KING
CERTIFIED PUBLIC ACCOUNTANT

3531 MAIN STREET
MARLETTE, MICHIGAN 48453

Phone 989-635-3113
Fax 989-635-5580

May 23, 2007

Members of the Township Board
Metamora Township
Lapeer County, Michigan

Board Members:

In accordance with your request, I have made an examination of the financial statements of Metamora Township for the fiscal year ended March 31, 2007. During the course of my examination, certain items came to my attention on which I would like to comment and offer my recommendations.

- 1.) There is an amount of \$7,534.50 that the Building Fund owes the General Fund. It is our opinion that the Building Fund transfer to the General Fund this amount due.
- 2.) It is our recommendation that the billing and collection process of the fire emergency runs be reworked to strengthen the internal control. This can be done by utilizing division of duties in the process of billing and collecting of the fire emergency runs.

From an overall standpoint, the Township records are in good order. The Clerk & Treasurer are doing an outstanding job in keeping the financial books and records of the Township.

I would like to thank the Township officials for the cooperation I received in the completion of this audit. Should you have any questions in connection with the above, contact me at your convenience.

Sincerely,

Lehn King

Lehn L. King
Certified Public Accountant

Township of Metamora
Annual Financial Report
For The Fiscal Year Ended March 31, 2007

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Members of the Township Board
Metamora Township
Lapeer County, Michigan

Independent Auditor's Report

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Metamora, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Metamora, Michigan's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Metamora, Michigan as of March 31, 2007 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

The Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Metamora, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of April 1, 2004.

Lehn King

Lehn L. King
Certified Public Accountant

May 24, 2007

Township of Metamora

Metamora, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the Township of Metamora's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2007. Please read it in conjunction with the Township's financial statements.

Financial Highlights

The Township is in a good financial position. As seen below, the General, Police, and Fire are all carrying a healthy fund balance.

However, care must be taken in future budgets because of potential cutbacks in State Shared Revenue and the escalating cost for providing local government services.

Using this Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No.34. GASB Statement 34 implements a new model of financial reporting for state and local governments designed to enhance the usefulness of the Township's annual report.

The Township as a Whole

The Township of Metamora's fund balances are as follows:

	March 31, 2007	March 31, 2006	March 31, 2005
General Operating	\$ 784,405	\$ 557,199	\$ 500,135
Police Protection	836,208	747,387	706,759
Fire Protection	360,462	385,365	385,554
Building Fund	32,422	23,273	13,465
Total for Township	<u>\$ 2,013,497</u>	<u>\$ 1,713,224</u>	<u>\$ 1,605,913</u>

Township of Metamora

Metamora, Michigan

Governmental Activities

The Township of Metamora's Revenues and Expenditures can be summarized as follows:

	<u>March 31,</u>		<u>March 31,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Fund Balance - Beginning of Year	\$ 1,689,951	\$ 1,592,448	\$ 23,274	\$ 13,466
Revenue Collected				
Property Taxes	1,136,879	1,070,872	-	-
Intergovernmental Revenue	250,886	250,356	-	-
Charges for Services	118,159	85,258	57,352	87,583
Loan / Grant Proceeds	8,230	85,213	-	-
Other	135,055	116,050	2,923	1,620
Transfers	-	-	-	-
Total Revenue Collected	<u>1,649,209</u>	<u>1,607,749</u>	<u>60,275</u>	<u>89,203</u>
Expenditures				
General Government	476,059	452,669	-	-
Public Safety - Police	496,032	480,259	-	-
Public Safety - Fire	199,232	149,631	-	-
Public Safety - Building	35,542	58,074	51,127	79,394
Public Works	37,415	61,488	-	-
Capital Outlay	19,255	104,005	-	-
Debt Service	219,152	204,120	-	-
Transfers	-	-	-	-
Total Expenditures	<u>1,482,687</u>	<u>1,510,246</u>	<u>51,127</u>	<u>79,394</u>
Fund Balance - End of Year	<u>\$ 1,856,473</u>	<u>\$ 1,689,951</u>	<u>\$ 32,422</u>	<u>\$ 23,275</u>

Township of Metamora

Metamora, Michigan

Economic Factors and Next Year's Budget and Rates

The Township of Metamora's 2007/2008 adopted budget is as follows:

	General Fund		Building Fund	
	March 31,		March 31,	
	2008	2007	2008	2007
Revenue				
Property Taxes	1,073,396	1,070,421	-	-
Intergovernmental Revenue	261,163	250,000	-	-
Charges for Services	88,900	108,100	61,400	85,300
Other	138,450	60,512	-	2,000
Total Revenue Collected	1,561,909	1,489,033	61,400	87,300
Expenditures				
General Government	538,275	524,973	-	-
Public Safety - Police	557,166	521,570	-	-
Public Safety - Fire	224,393	177,888	-	-
Public Safety - Other	54,975	59,175	61,400	87,300
Public Works	51,300	50,400	-	-
Capital Outlay	-	-	-	-
Debt Service	135,800	155,027	-	-
Transfers	-	-	-	-
Total Expenditures	1,561,909	1,489,033	61,400	87,300
Net Over/Under Budget	\$ -	\$ -	\$ -	\$ -

Contacting the Township

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Township office at 730 West Dryden Road, Metamora, Michigan or by telephone at (810) 678-2237.

David Best
Township of Metamora Supervisor

Township of Metamora

Statement of Net Assets (Deficit)

March 31, 2007

	Primary Government Governmental Activities
<u>Assets</u>	
Cash & Cash Equivalents	\$ 764,094.10
Property Taxes Receivable	100,217.49
Tower Rent Receivable	11,040.00
Prepaid Expenses	6,527.69
Due From Other Funds	1,046,482.96
Capital Assets (Net of Accumulated Depreciation)	<u>1,383,332.71</u>
 Total Assets	 3,311,694.95
<u>Liabilities</u>	
Accounts Payable	\$ 10,000.29
Deferred Revenue	29,467.00
Accrued Interest Payable	9,762.00
Current Portion of Long-Term Debt	114,137.00
Long-Term Debt	<u>354,703.00</u>
 <u>Total Liabilities</u>	 <u>518,069.29</u>
Net Assets (Deficit)	
Invested in Capital Assets - Net of Related Debt	904,730.71
Restricted for Future Police Health Care	124,600.49
Restricted for Police Protection	711,608.19
Restricted for Fire Protection	360,461.99
Unrestricted	<u>692,224.28</u>
 <u>Total Net Assets (Deficit)</u>	 <u>\$ 2,793,625.66</u>

The notes are an integral part of the statements.

Township of Metamora
Statement of Activities
For the Year Ended March 31, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue & Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Primary Government</u>
					<u>Governmental Activities</u>
Primary Government:					
Governmental Activities:					
General Government	\$ 478,726.99	\$ 108,681.11	\$ -	\$ -	\$ (370,045.88)
Public Safety	856,859.11	91,361.28	-	8,230.47	(757,267.36)
Public Works	37,415.36	-	-	-	(37,415.36)
Interest on Long-Term Debt	25,987.68	-	-	-	(25,987.68)
<u>Total Governmental Activities</u>	<u>\$ 1,398,989.14</u>	<u>\$ 200,042.39</u>	<u>\$ -</u>	<u>\$ 8,230.47</u>	<u>(1,190,716.28)</u>
General Revenues:					
Property Taxes					\$ 1,136,878.83
State Shared Revenues					250,886.00
Interest					75,230.13
Other Revenues					38,217.04
Transfers					-
Total General Revenues, Special Items & Transfers					<u>1,501,212.00</u>
Change in Net Assets					310,495.72
Net Assets (Deficit) - Beginning of Year					<u>2,483,129.94</u>
Net Assets (Deficit) - End of Year					<u>\$ 2,793,625.66</u>

The notes are an integral part of the statements.

Township of Metamora

Governmental Funds

Balance Sheet

March 31, 2007

	General Fund	Building Fund	Totals Governmental Funds
<u>Assets</u>			
Cash & Certificates of Deposit	\$ 724,137.90	\$ 39,956.20	\$ 764,094.10
Property Taxes Receivable	100,217.49	-	100,217.49
Tower Rent Receivable	11,040.00	-	11,040.00
Prepaid Expenses	6,527.69	-	6,527.69
Due From Other Funds	1,054,017.46	-	1,054,017.46
	<hr/>	<hr/>	<hr/>
<u>Total Assets</u>	<u>\$ 1,895,940.54</u>	<u>\$ 39,956.20</u>	<u>\$ 1,935,896.74</u>
<u>Liabilities & Fund Equity</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 10,000.29	\$ -	\$ 10,000.29
Accrued Wages	-	-	-
Deferred Revenue	29,467.00	-	29,467.00
Due To Other Funds	-	7,534.50	7,534.50
Due To Others	-	-	-
	<hr/>	<hr/>	<hr/>
<u>Total Liabilities</u>	<u>39,467.29</u>	<u>7,534.50</u>	<u>47,001.79</u>
<u>Fund Equity</u>			
Fund Balances			
- Designated for Future Police Health Care	124,600.49	-	124,600.49
- Designated for Police Protection	711,608.19	-	711,608.19
- Designated for Fire Protection	360,461.99	-	360,461.99
- Unreserved & Undesignated	659,802.58	32,421.70	692,224.28
	<hr/>	<hr/>	<hr/>
<u>Total Fund Balances</u>	<u>1,856,473.25</u>	<u>32,421.70</u>	<u>1,888,894.95</u>
	<hr/>	<hr/>	<hr/>
<u>Total Liabilities & Fund Equity</u>	<u>\$ 1,895,940.54</u>	<u>\$ 39,956.20</u>	<u>\$ 1,935,896.74</u>

The notes are an integral part of the statements.

Township of Metamora
Governmental Funds
Reconciliation of Fund Balances to the
Statement of Net Assets (Deficit)
For The Year Ended March 31, 2007

Total Fund Balances for Governmental Funds	\$ 1,888,894.95
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Amounts reported for Governmental Activities in the Statement of
Net Assets (Deficit) are different because:

Capital Assets used in Governmental Activities are not Financial Resources and are not reported in the Funds	1,383,332.71
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Long-Term Bonds Payable are not due and payable in the current period and are not reported in the Funds	(468,840.00)
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Accrued Interest Payable is not reported in the Funds	<u>(9,762.00)</u>
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Net Assets of Governmental Activities	<u><u>\$ 2,793,625.66</u></u>
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The notes are an integral part of the statements.

Township of Metamora
Governmental Funds
Statement of Revenues, Expenditures, And Changes
in Fund Balances
For The Year Ended March 31, 2007

	General Fund	Building Fund	Totals Governmental Funds
<u>Revenues</u>			
Property Taxes	\$ 1,136,878.83	\$ -	\$ 1,136,878.83
State Shared Revenue	250,886.00	-	250,886.00
Charges for Services:			
General Government	58,429.17	-	58,429.17
Public Safety	34,009.56	-	34,009.56
Permits & Fees	25,720.75	57,351.72	83,072.47
Grant Proceeds	8,230.47	-	8,230.47
Interest Earnings	73,206.87	2,023.26	75,230.13
Reimbursements	24,531.19	-	24,531.19
Other Revenues	37,317.04	900.00	38,217.04
<u>Total Revenues</u>	<u>1,649,209.88</u>	<u>60,274.98</u>	<u>1,709,484.86</u>
<u>Expenditures</u>			
General Government	476,059.24	-	476,059.24
Public Safety	730,805.77	51,126.80	781,932.57
Publics Works	37,415.36	-	37,415.36
Capital Outlay	19,255.00	-	19,255.00
Debt Service - Principal	193,164.00	-	193,164.00
Debt Service - Interest	25,987.68	-	25,987.68
<u>Total Expenditures</u>	<u>1,482,687.05</u>	<u>51,126.80</u>	<u>1,533,813.85</u>
Excess of Revenues Over (Under) Expenditures	166,522.83	9,148.18	175,671.01
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In (Out)	-	-	-
Net Change in Fund Balances	166,522.83	9,148.18	175,671.01
<u>Fund Balances - Beginning of Year</u>	<u>1,689,950.42</u>	<u>23,273.52</u>	<u>1,713,223.94</u>
<u>Fund Balances - End of Year</u>	<u>\$ 1,856,473.25</u>	<u>\$ 32,421.70</u>	<u>\$ 1,888,894.95</u>

The notes are an integral part of the statements.

Township of Metamora
Governmental Funds
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended March 31, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 175,671.01

Amounts reported for Governmental Activities in the Statement of
Activities are different because:

Governmental Funds report Capital Outlays as Expenditures;
in the Statement of Activities, these costs are capitalized and
allocated over their estimated useful lives as Depreciation 19,255.00

Repayment of Bond Principal is an Expenditure in the Governmental
Funds, but not in the Statement of Activities (where it
reduces Long-Term Debt) 193,164.00

Interest Expense is reported in the Statement of Activities
when a Liability is incurred; they are reported in the
Governmental Funds only when payment is due -

Depreciation is an Expenditure for the Statement of
Activities, but is not reported in the Governmental Funds (77,594.29)

Net Assets of Governmental Activities \$ 310,495.72

The notes are an integral part of the statements.

Township of Metamora

Statement of Net Assets (Deficit)

Fiduciary Funds

March 31, 2007

	<u>Fiduciary Fund</u>	
	<u>Agency Fund</u>	
	<u>Current Tax</u>	<u>Totals</u>
	<u>Collection</u>	<u>March 31,</u>
<u>Assets</u>	<u>Fund</u>	<u>2007</u>
Cash - Savings & Certificates	\$ 1,046,482.96	\$ 1,046,482.96
Due From Other Funds	-	-
<u>Total Assets</u>	<u>\$ 1,046,482.96</u>	<u>\$ 1,046,482.96</u>
<u>Liabilities & Fund Balance</u>		
<u>Liabilities</u>		
Due To General Fund	\$ 1,046,482.96	\$ 1,046,482.96
Due To Others	-	-
<u>Total Liabilities</u>	<u>1,046,482.96</u>	<u>1,046,482.96</u>
<u>Fund Balances</u>		
Unreserved & Undesignated	-	-
<u>Total Fund Balances</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities & Fund Balances</u>	<u>\$ 1,046,482.96</u>	<u>\$ 1,046,482.96</u>

The notes are an integral part of the statements.

Township of Metamora

Notes to the Financial Statements
For The Year Ended March 31, 2007

The accounting methods and procedures adopted by the Township of Metamora, Lapeer County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Township's Comprehensive Annual Financial Report.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Township of Metamora was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township of Metamora (the primary government) and its component units. The component units discussed below are included in the Township reporting entity because of the significance of their operational or financial relationships with the Township.

Government-wide and Fund Statements Fund

The Government-wide Financial Statements (i.e., the Statement of Net Assets (Deficit) and the Statement of Activities) report information on all the nonfiduciary activities of the Township (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

General Fund - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Building Inspection Fund – The fund is setup for the monitoring of Township construction. It is primarily funded through the collection of permits for the various types of construction.

Additionally, the Township reports the following fund types:

Trust & Agency Fund - The Trust & Agency Fund accounts for assets held by the Township in a trustee capacity or as an agent for individuals, organizations, or other governments.

Township of Metamora

Notes to the Financial Statements
For The Year Ended March 31, 2007

Measurement Focus and Basis of Accounting

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services, and interest. All other revenue items are considered to be available only when cash is received by the Township. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

Cash - The Township does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

Investments - Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

Due to and Due From Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Property Tax Revenues - Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

Vacation, Sick Leave, & Other Compensated Absences - Vacation days are earned by police department employees at a rate from zero to twenty days per year based on length of service with unused days after a two-year period being forfeited. Sick days are earned by police department employees at a rate of thirteen days per year after the first year of service. The sick days have unlimited accumulation over the term of employment, however, when the employee leaves the department, for any reason, the days are forfeited.

The estimated maximum contingent liability for these benefits (calculated at current pay rates) as of March 31, 2007 is \$87,968.90.

Capital Assets - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Infrastructure	40 years
Buildings & Building Improvements	20 to 40 years
Machinery & Equipment	3 to 10 years

Township of Metamora

Notes to the Financial Statements
For The Year Ended March 31, 2007

Long-Term Obligations - In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Accounting Changes

GASB Statement No. 34 – Effective April 1, 2004, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Township's financial statements as a result of GASB No. 34 are as follows:

- A management's discussion and analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations has been included.
- Government-wide Financial Statements (statement of net assets (deficit) and statement of activities) prepared using full accrual accounting for all of the Township's activities have been provided.
- Capital assets in the governmental activities column of the statement of net assets (deficit) includes assets not previously accounted for by the Township as well as assets previously reported in the General Fixed Assets Account Group. In addition, the governmental activities column includes bonds and other long-term obligations previously reported in the General Long-term Debt Account Group.
- The fund financial statements focus on major funds rather than fund types.

Township of Metamora
Notes to the Financial Statements
For The Year Ended March 31, 2007

2. Stewardship, Compliance, and Accountability

Budgetary Information

The Township is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Budgets must be adopted for the General Fund and Special Revenue Funds.
2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.
3. The budgets must be amended when necessary.
4. Debt cannot be entered into unless permitted by law.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures cannot be made unless authorized in the budget.
7. Public hearings must be held before budget adoptions.

In the body of the financial statements, the Township actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Township Board as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis, which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level. Budgets for the General Fund and the Special Revenue Funds are presented in the required supplemental information.

During the year ended March 31, 2007, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	Total <u>Appropriations</u>		Amount of <u>Expenditures</u>		Budget <u>Variance</u>
General Fund					
Board of Review	\$ 1,525		\$ 1,542		\$ 17

Township of Metamora

Notes to the Financial Statements
For The Year Ended March 31, 2007

3. Cash and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township Board has designated five banks for the deposit of Township funds. There was no investment policy adopted by the board in accordance with Public Act 196 of 1997. The Board has authorized investment in bank accounts and CDs, but not the remainder of State statutory authority as listed above. The Township's deposits are in accordance with statutory authority and the Township does not have an investment policy. All cash deposits and investments of the Township are held by the Township in the Township's name.

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary - Trust & Agency Funds</u>	<u>Total Primary Government</u>
Cash & Cash Equivalents	\$ 764,094	\$ 1,046,183	\$ 1,810,277

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 1,810,277

The bank balance of the primary government's deposits is \$1,810,277, of which \$243,043 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Township's name.

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

	<u>Category</u>			<u>Carrying Value</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	
Investments	\$ NONE	\$ NONE	\$ NONE	\$ NONE

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1	Insured or registered, or securities held by the Township or its agent in the Township's name.
Category 2	Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.
Category 3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

Township of Metamora

Notes to the Financial Statements
For The Year Ended March 31, 2007

4. Property Taxes

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of December of the levy year and may be paid by the following February 14.

The Township levied the following taxes:

Township Operating	1.3732	mills
Police Protection	2.1831	mills
Fire Protection	.9392	mills

5. Capital Assets

Capital assets activity of the Township's governmental activities was as follows:

	<u>Balance</u> <u>April 1, 2006</u>	<u>Additions</u>	<u>Disposals &</u> <u>Adjustments</u>	<u>Balance</u> <u>March 31, 2007</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 576,050	\$ -	\$ -	\$ 576,050
Capital Assets Being Depreciated:				
Buildings & Improvements	\$ 331,349	\$ -	\$ -	\$ 331,349
Machinery & Equipment - Fire	936,841	12,255	-	949,096
Machinery & Equipment - Police	108,253	7,000	-	115,253
Office Equipment	6,403	-	5,004	1,399
Subtotal	1,382,846	19,255	5,004	1,397,097
Accumulated Depreciation:				
Buildings & Improvements	110,730	10,127	-	120,857
Machinery & Equipment - Fire	349,936	47,122	-	397,058
Machinery & Equipment - Police	50,438	20,062	-	70,500
Office Equipment	6,120	283	5,004	1,399
Subtotal	517,224	77,594	5,004	589,814
Net Capital Assets Being Depreciated	\$ 865,622	\$ (58,339)	\$ -	\$ 807,283
Net Capital Assets	<u>\$ 1,441,672</u>	<u>\$ (58,339)</u>	<u>\$ -</u>	<u>\$ 1,383,333</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 2,668
Public Safety	74,926
Total Governmental Activities	<u>\$ 77,594</u>

Township of Metamora
Notes to the Financial Statements
For The Year Ended March 31, 2007

6. Long -Term Debt

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Governmental Activities						
General Obligation Bonds & Contracts						
Land Contract Payable - 20 Acres - Individual						
Amount of Issue - \$539,500		\$57,100 -				
Maturing through June 16, 2010	3.95%	\$18,728	\$ 280,540	\$ (61,700)	\$ 218,840	\$ 64,137
Lapeer County Road Commission - Bond Payable						
Amount of Issue - \$500,000	7.00% -					
Maturing through August 1, 2011	4.15%	\$50,000	\$ 300,000	\$ (50,000)	\$ 250,000	\$ 50,000
D205 Midship Tanker Typhoon Chassis Fire Truck						
Lapeer County Bank & Trust - Installment Loan						
Amount of Issue - \$200,000		\$26,026 -				
Maturing through June 2, 2010	3.10%	\$1,228	\$ 81,464	\$ (81,464)	\$ -	\$ -
Total Governmental Activities			<u>\$ 662,004</u>	<u>\$ (193,164)</u>	<u>\$ 468,840</u>	<u>\$ 114,137</u>

Annual debt service requirements to maturity for the above governmental bond and contract obligations are as follows:

Years Ending March 31,	Governmental Activities		
	Principal	Interest	Total
2007	114,137	18,519	132,656
2008	116,670	13,824	130,494
2009	119,303	9,077	128,380
2010	68,730	4,152	72,882
2011	50,000	1,150	51,150
Total	<u>\$ 468,840</u>	<u>\$ 46,722</u>	<u>\$ 515,562</u>

7. Interfund Receivables, Payables, & Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from other funds" or "Due to other funds" on the balance sheet. The amounts of interfund receivables and payables are as follows:

	Due From Other Funds		Due To Other Funds
General Fund	\$ 1,046,483	Trust & Agency Fund	\$ 1,046,483
General Fund	7,535	Building Department Fund	7,535
Total	<u>\$ 1,054,018</u>		<u>\$ 1,054,018</u>

There were no Interfund Transfers reported in the Fund Statements.

Township of Metamora

Notes to the Financial Statements
For The Year Ended March 31, 2007

8. Deferred Compensation Plan

The Township offers its employees a deferred compensation plan created in accordance with IRC Section 457. The assets of the plan were held in trust, as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Township's financial statements.

9. Rentals Under Operating Lease

The Township is a lessor of a parcel of land on which cellular telephone radio communications system was constructed, under a non-cancelable operating lease, which expires in 2009. The lease provides for annual rent in the amount of \$14,400. The lease has five renewal options, of which each cover a five-year period with escalating rentals.

The Township entered into separate non-cancelable operating leases with second, third, and fourth parties on the same parcel of land described above. The leases provide for an annual rent as stated below. The lease agreements have five renewal options, of which each covers a five-year period with escalating rentals.

The expiration dates and annual rent are as follows:

Second Lease -	February 2010	\$11,040
Third Lease -	March 2010	\$14,400
Fourth Lease -	April 2011	\$ 9,600

Future minimum rents receivable under these non-cancelable leases are as follows:

Fiscal Year Ending March 31,

2008	\$50,880
2009	50,880
2010	53,760
2011	58,296

10. Deficit Fund Balance or Retained Earnings Balances of Individual Funds

None

11. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

Township of Metamora

Notes to the Financial Statements

For The Year Ended March 31, 2007

12. Contingent Liability

The Township is involved in various legal actions arising in the normal course of business. In the opinion of the Township Board, such matters will not have a material effect upon the financial position of the Township.

13. Other Post-Employment Benefits

The Township has elected to provide post-employment health benefits to certain retirees. The Township pays the full cost of coverage for these benefits. Currently, the only retiree eligible for and receiving post-employment health benefits passed away in the current fiscal year. For the fiscal year ended March 31, 2007, the Township made payments for post-employment health benefit premiums of \$8,667. The Township obtains health care coverage through private insurers. The Township has contracted to cover approximately five to six employees that were hired prior to 1997. The Township is currently in the process of having an actuarial completed for the funding purposes of future health care coverage. In addition to this, the Township has designated \$124,600 of fund balance as of March 31, 2007 to begin the funding.

14. Employee Retirement And Benefit Systems

Plan Description – The Township participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers eligible employees of the Township. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system.

Funding Policy – The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units and requires a contribution from the employees of 11.94 percent and 11.94 percent of gross wages for certain Police and Fire employees, respectively.

Annual Pension Cost - For the year ended March 31, 2007, the Township's annual pension cost of \$36,674.72 for the plan was equal to the required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2004, using the entry age normal cost method. Significant actuarial assumptions used include: (i) an 8 percent investment rate of return; (ii) projected salary increase of 4.5 percent per year; and (iii) 4.5 percent per year cost of living adjustments. Both determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level of percent of payroll on a closed basis. The remaining amortization period is 30 years.

Three year trend information as of March 31, 2007 (date of actuaries) follows:

	March 31		
	2005	2004	2003
Annual Pension Cost	\$ 35,100	\$ 32,808	\$ 26,438
Percentage of APC Contributed	100.0%	100.0%	100.0%
Net Pension Obligation	-	-	-
Actuarial Value of Assets	255,076	205,087	159,373
Actuarial Accrued Liability	325,781	264,446	210,976
Unfunded Actuarial Accrued Liability	70,705	59,359	51,603
Funded Ratio	78.3%	77.6%	75.5%
Covered Payroll	294,028	274,742	268,679
UAAL as a Percentage of Covered Payroll	24.0%	21.6%	19.2%

Required Supplemental Information

Township of Metamora

Required Supplemental Information

Budgetary Comparison Schedule

General Fund

For Year Ended March 31, 2007

	Original Budget	Amended Actual	Actual	Variance with Amended Budget
Revenues				
General Government				
Property Taxes & Admin Fees	\$ 379,300.00	\$ 379,300.00	\$ 384,564.77	\$ 5,264.77
State Shared Revenue	250,000.00	250,000.00	250,886.00	886.00
Licenses, Fees & Permits	39,600.00	39,600.00	25,720.75	(13,879.25)
Leases & Franchise Fees	59,000.00	59,000.00	58,429.17	(570.83)
Interest Earned	15,000.00	35,000.00	44,779.94	9,779.94
Reimbursements	4,000.00	4,000.00	24,531.19	20,531.19
Miscellaneous	6,450.00	21,772.50	10,243.28	(11,529.22)
Total General Government	753,350.00	788,672.50	799,155.10	10,482.60
Police Protection				
Property Taxes	493,906.81	493,906.81	526,020.67	32,113.86
Fines & Forfeitures	22,862.75	22,862.75	26,580.16	3,717.41
Grant Proceeds	1,200.00	1,200.00	8,230.47	7,030.47
Interest Earned	1,000.00	9,000.00	16,203.97	7,203.97
Miscellaneous	2,600.00	2,600.00	14,818.76	12,218.76
Total Police Protection	521,569.56	529,569.56	591,854.03	62,284.47
Fire Prevention				
Property Taxes	210,114.81	209,912.98	226,293.39	16,380.41
Charges for Services	4,000.00	7,029.40	7,429.40	400.00
Grant Proceeds	-	104,472.00	-	(104,472.00)
Interest Earned	-	7,340.16	12,222.96	4,882.80
Miscellaneous	-	74,813.20	12,255.00	(62,558.20)
Total Fire Prevention	214,114.81	403,567.74	258,200.75	(145,366.99)
Total Revenues	\$ 1,489,034.37	\$ 1,721,809.80	\$ 1,649,209.88	\$ (72,599.92)

Township of Metamora

Required Supplemental Information

Budgetary Comparison Schedule

General Fund - Continued

For Year Ended March 31, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Expenditures</u>				
<u>Legislative</u>				
Township Board	\$ 11,350.00	\$ 11,350.00	\$ 10,727.93	\$ 622.07
<u>General Government</u>				
Supervisor	36,500.00	36,500.00	34,827.97	1,672.03
Elections	11,900.00	11,785.00	11,666.29	118.71
Professional services	81,600.00	84,360.00	69,394.21	14,965.79
Clerk	70,500.00	72,675.00	69,793.52	2,881.48
Board of Review	1,525.00	1,525.00	1,541.64	(16.64)
Treasurer	54,250.00	54,925.00	53,462.41	1,462.59
Township Hall	76,400.00	87,910.00	78,165.33	9,744.67
Cemetery	1,600.00	1,615.00	702.60	912.40
Insurance & Administration	162,350.00	173,925.00	145,777.34	28,147.66
<u>Total General Government</u>	<u>496,625.00</u>	<u>525,220.00</u>	<u>465,331.31</u>	<u>59,888.69</u>
<u>Public Safety</u>				
Police Protection	521,569.56	529,569.56	496,032.35	33,537.21
Fire Prevention	205,129.00	278,849.95	186,679.61	92,170.34
Emergency Response	13,000.00	13,000.00	12,552.00	448.00
Street Lighting	2,800.00	3,000.00	2,357.10	642.90
Planning and Zoning				
Zoning Department	6,500.00	6,500.00	5,358.00	1,142.00
Planning Commission	14,025.00	10,625.00	6,280.73	4,344.27
Planner	24,000.00	20,605.00	16,061.50	4,543.50
Engineering	10,000.00	10,000.00	4,280.00	5,720.00
Zoning Board of Appeals	4,650.00	4,650.00	1,204.48	3,445.52
<u>Total Public Safety</u>	<u>801,673.56</u>	<u>876,799.51</u>	<u>730,805.77</u>	<u>145,993.74</u>
<u>Highways, Streets, & Bridges</u>	<u>47,600.00</u>	<u>45,600.00</u>	<u>37,415.36</u>	<u>8,184.64</u>
<u>Capital Outlay</u>	<u>4,986.00</u>	<u>20,246.00</u>	<u>19,255.00</u>	<u>991.00</u>
<u>Debt Service - Principal</u>	<u>141,439.27</u>	<u>193,506.27</u>	<u>193,164.00</u>	<u>342.27</u>
<u>Debt Service - Interest</u>	<u>13,587.73</u>	<u>28,587.73</u>	<u>25,987.68</u>	<u>2,600.05</u>
<u>Total Expenditures</u>	<u>1,517,261.56</u>	<u>1,701,309.51</u>	<u>1,482,687.05</u>	<u>218,622.46</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	(28,227.19)	20,500.29	166,522.83	146,022.54
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	-	-	-	-
Excess of Revenues & Operating Transfers In Over (Under) Expenditures & Operating Transfers Out	(28,227.19)	20,500.29	166,522.83	146,022.54
<u>Fund Balance - Beginning of Year</u>	-	262,937.97	1,689,950.42	1,689,950.42
<u>Fund Balance - End of Year</u>	<u>\$ (28,227.19)</u>	<u>\$ 283,438.26</u>	<u>\$ 1,856,473.25</u>	<u>\$ 1,835,972.96</u>

Township of Metamora
Required Supplemental Information
Budgetary Comparison Schedule
Building Inspection Fund
For Year Ended March 31, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Licenses and Permits	\$ 85,300.00	\$ 85,300.00	\$ 57,351.72	\$ (27,948.28)
Interest	2,000.00	2,000.00	2,023.26	23.26
Other Revenue	-	-	900.00	900.00
<u>Total Revenues</u>	<u>87,300.00</u>	<u>87,300.00</u>	<u>60,274.98</u>	<u>(27,025.02)</u>
<u>Expenditures</u>				
Administration	19,000.00	18,850.00	5,017.68	13,832.32
Building Inspector	43,925.00	44,075.00	34,186.42	9,888.58
Electrical Inspector	9,650.00	9,650.00	4,832.70	4,817.30
Plumbing Inspector	7,625.00	7,625.00	2,790.00	4,835.00
Mechanical Inspector	7,100.00	7,100.00	4,300.00	2,800.00
<u>Total Expenditures</u>	<u>87,300.00</u>	<u>87,300.00</u>	<u>51,126.80</u>	<u>36,173.20</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	-	-	9,148.18	9,148.18
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Operating Transfers In Over (Under) Expenditures & Operating Transfers Out</u>	-	-	9,148.18	9,148.18
<u>Fund Balance - Beginning of Year</u>	<u>13,385.28</u>	<u>13,385.28</u>	<u>23,273.52</u>	<u>9,888.24</u>
<u>Fund Balance - End of Year</u>	<u>\$ 13,385.28</u>	<u>\$ 13,385.28</u>	<u>\$ 32,421.70</u>	<u>\$ 19,036.42</u>

Other Supplemental Information

Township of Metamora

Other Supplemental Information

Schedule of Indebtedness

March 31, 2007

Lapeer County Road Commission
100 Tons of Gravel on Local Roads
Interest Payable August 1 and February 1

Dated August 1, 2002
Original Issue \$500,000

Interest Rate	Date of Maturity	Principal Outstanding March 31,		Remaining Annual Interest Payable
		2007	2006	
4.50%	8/1/2006	\$ -	\$ 50,000.00	\$ -
4.50%	2/1/2007	-	-	-
4.50%	8/1/2007	50,000.00	50,000.00	5,500.00
4.50%	2/1/2008	-	-	4,375.00
4.15%	8/1/2008	50,000.00	50,000.00	4,375.00
4.15%	2/1/2009	-	-	3,338.00
4.30%	8/1/2009	50,000.00	50,000.00	3,338.00
4.30%	2/1/2010	-	-	2,262.00
4.45%	8/1/2010	50,000.00	50,000.00	2,262.00
4.45%	2/1/2011	-	-	1,150.00
4.60%	8/1/2011	50,000.00	50,000.00	1,150.00
<u>Total Notes Payable</u>		<u>\$ 250,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ 27,750.00</u>

Township of Metamora

Other Supplemental Information
Schedule of Indebtedness
March 31, 2007

Installment Loan - Lapeer County Bank & Trust
D 205 Midship Tanker Typhoon Chassis Fire Truck

Dated June 2, 2003
Original Issue \$200,000

Interest Rate	Date of Maturity	Principal Outstanding March 31,		Annual Interest Payable
		2007	2006	
3.10%	8/1/2006	\$ -	\$ 29,701.00	\$ -
3.10%	8/1/2007	-	30,621.00	-
3.10%	8/1/2008	-	21,142.00	-
<u>Total General Obligation Bonds</u>		<u>\$ -</u>	<u>\$ 81,464.00</u>	<u>\$ -</u>

Land Contract Payable - Oxford Bank
20 Acres Joining Existing Township Property

Dated June 16, 2000
Original Issue \$539,500

Interest Rate	Contract Due For The Year Ending	Principal Outstanding March 31,		Annual Interest Payable
		2007	2006	
3.95%	6/16/2006	\$ -	\$ 61,700.00	\$ -
3.95%	6/16/2007	64,137.00	64,137.00	8,644.00
3.95%	6/16/2008	66,670.00	66,670.00	6,111.00
3.95%	6/16/2009	69,303.00	69,303.00	3,477.00
3.95%	6/16/2010	18,730.00	18,730.00	740.00
<u>Total Installment Purchase Contract Payable</u>		<u>\$ 218,840.00</u>	<u>\$ 280,540.00</u>	<u>\$ 18,972.00</u>
<u>Total General Obligation Bonds & Contracts</u>		<u>\$ 468,840.00</u>	<u>\$ 662,004.00</u>	<u>\$ 46,722.00</u>